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MAY 05 2004

DIV. OF OIL, GAS & MINING

FAX TRANSMISSION

GOCHNOUR & ASSOCIATES, INC.
19590 EAST MAIN STREET, SUITE 208
PARKER, CO 80138
(720)-851-2900
FAX: (720)-851-2999

To: Mr. Paul Baker - UDOG&M Date: May 5, 2004
Fax #: 801-359-3940 Pages: 9, including this cover sheet.
From: Lee "Pat" Gochnour
Subject: Lisbon Valley Project - Draft Reclamation Contract

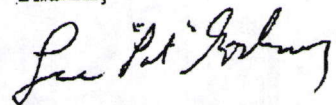
COMMENTS:

Mr. Baker:

Per our discussion this afternoon, I have completed a draft of the Reclamation Contract for your review. If all is well, I will forward it on to Summo for Signature and Notary.

Also, since you will be out of the office the remainder of this week and next, can you please alert Joelle Burns that I will be sending this to her attention for execution (UDOG&M Signature) while you are gone. Hopefully, we can get this taken care of in your absence, as the drill rig(s) are standing by. If you or Joelle have any questions or comments, please contact me at the above listed phone number.

Thanks,

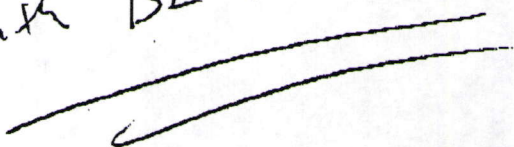


Lee "Pat" Gochnour
Consultant to the Lisbon Valley Project

Attachment

cc - Gary Parkison
Chuck Bauer

With BLN Approval Letter





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab Field Office
82 East Dogwood
Moab, Utah 84532



IN REPLY REFER TO:

3809

(UT-062)

UTU-72499

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MAY - 5 2004

DIV OF OIL GAS & MINING

APR 23 2004

Mr. Pat Gochmour
19590 East Main Street, Suite 208
Parker, Colorado 80138

Dear Mr. Gochmour:

We received your request to access and drill exploration/development holes in the Lisbon Valley Project (UTU-72499) on March 10, 2004. We have reviewed this project against the Environmental Impact Statement and the previous Environmental Assessment and other environmental documents for drilling in the same location and have determined to allow the drilling proposal as set forth in your March 8, 2004 letter.

We are also in agreement with the Utah Division of Oil, Gas & Mining letter dated March 25, 2004 which would allow you to drill without posting any additional bond.

Enclosed are the Conditions of Approval that need to be followed for this drilling project.

If you have any questions please contact Daryl Trotter at (435) 259-2183.

Sincerely,

Daryl Trotter
Acting Assistant Field Office Manager

Enclosure:

Conditions of Approval, (1p)

cc: Mr. Paul Baker
State Of Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Summo Mining
2004 Drilling Project
Centennial Pit
San Juan County, Utah

CONDITIONS OF APPROVAL

1. In consideration of the depth of proposed drilling and the presence of an aquifer, all holes must be plugged with cement in accordance with BLM Manual Handbook H-3042-1, Solid Mineral Reclamation, Chapter 5.
2. Cement for plugging shall be Class A, B, C or G, mixed to standard slurry density. The cement may contain up to ¼ lb/sack cellophane and/or up to 2% CaCl₂. If the operator would like to use cement additives in addition to those listed here, contact Eric Jones of the BLM Moab Field Office at 435-259-2117 for review of your proposal.
3. Cement must be pumped into place through the drill stem from the bottom of the hole up to at least 100 feet above the top of the aquifer. After allowing for compressive strength development, all plugs shall be "tagged" with the weight of the drill string to ensure proper placement. Cement may be circulated to surface to avoid the time delay of "tagging" a plug. If a plug is found to have migrated from its required location, additional cement shall be pumped and the plug shall be re-tagged.
4. After the cement aquifer plug is set and tagged to verify its proper depth, the hole shall be backfilled. Backfill material may be drill cuttings, granular bentonite, bentonite drilling mud or a combination.
5. Each drill hole must have a cement plug of at least three-feet-thick placed at the surface.
6. A brass or aluminum marker, identifying the drill hole and the company name, shall be secured into the cement surface plug.
7. At least 24 hours prior to commencing plugging operations for each drill hole, notify one of the following of the time plugging operations are anticipated to begin:

Eric Jones 435-259-2117
Rich McClure 435-259-2127
Jack Johnson 435-259-2129